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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 27, 2010

Hal Fronk
150 East 200 South, Suite P
Logan, Utah 84321

Subject: Acceptance of Amendment to Small Mining Activities, Pisgah Properties, BHY Mine, S/005/0003, Cache County, Utah

Dear Mr. Fronk:

The Division finds your amended Notice of Intention to Commence Small Mining Operations (Notice) complete. You are now permitted to conduct small mining activities as outlined in the amended Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. Enclosed please find a copy of the approved amendment to your Notice. This amendment will not affect the reclamation surety amount required for this operation. Currently, the Division holds \$25,200 as a cash surety for this project. The next scheduled review for the surety is December 2015.

Please keep in mind the following regulatory requirements.

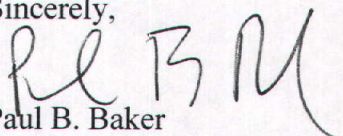
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office, and State History of your find.
- Permit fees are due July 30
- Annual reports are due by January 31st.



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The Division's web page at <http://ogm.utah.gov> under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/005/0003 If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,


Paul B. Baker
Minerals Program Manager

PBB:lk:eb

Enclosure: Copy of approved NOI pages

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